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PA Petroleum Association Applauds Gov. Wolf For Staying Out Of TCI

Transportation Climate Initiative would mean gas tax increase for Pennsylvanians

HARRISBURG – The Pennsylvania Petroleum Association says Gov. Tom Wolf made the right decision by not signing onto the Transportation Climate Initiative (TCI) as a few states did on Monday.

Michael McCarthy, president of PPA, said joining the initiative aimed at reducing carbon emissions would have meant significant gas tax increases on Pennsylvania residents and businesses. While PPA agrees with the idea of decreasing greenhouse gases, McCarthy said TCI is not the way to accomplish that.

“We are pleased the governor saw the importance of keeping gas taxes at a minimum, especially now, with so many Pennsylvanians suffering from the pandemic economy,” said McCarthy. “We are happy to work with him and the state Department of Environmental Protection to implement ways to reduce emissions that do not cause hardship to people and businesses.”

Eleven states and the District of Columbia were targeted to join TCI, but on Monday only Massachusetts, Connecticut, Rhode Island and the District of Columbia signed the TCI memorandum of understanding (MOU). Governor Wolf does not need approval from the General Assembly to sign the MOU.

Projections from several studies show that the gas tax could increase by 17 cents in the first year and a diesel tax would increase by 52 cents. Many businesses oppose the initiative, which will mean a gas tax increase annually decided by a regional entity.

McCarthy added that another reason for Pennsylvania to stay out of TCI is because it is important to see what the incoming administration of President-elect Joe Biden decides to advance on an emissions strategy.

Don Bowers, a member of PPA, which represents independent petroleum marketers at both the wholesale and retail levels, as well as firms supplying petroleum products, said businesses are relieved the governor did not sign on to TCI. As for residents, he added, it would have been especially harmful for low-income and rural Pennsylvanians.

“TCI would mean a drastic tax increase for Pennsylvanians and would impact so many people financially that we thank Governor Wolf for being cautious about tying our state to this costly scheme,” he said.